

MINUTES

**MONTANA SENATE
59th LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION**

Call to Order: By **CHAIRMAN CAROLYN SQUIRES**, on April 4, 2005 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Carolyn Squires, Chairman (D)
Sen. Joe Balyeat (R)
Sen. Vicki Cocchiarella (D)
Sen. Mike Cooney (D)
Sen. Jon Ellingson (D)
Sen. Jeff Essmann (R)
Sen. Steven Gallus (D)
Sen. Rick Laible (R)
Sen. Dave Lewis (R)
Sen. Jim Shockley (R)
Sen. Joseph (Joe) Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Dave Bohyer, Legislative Branch
Claudia Johnson, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 728, 3/30/2005; HB 102,
3/30/2005
Executive Action: HB 102; HB 728

HEARING ON HB 728**Opening Statement by Sponsor:**

SEN. JEFF ESSMANN, SD 28, BILLINGS, opened the hearing on **HB 728** for **REP. MICHAEL LANGE (R), HD 55**, Create state veterans' cemetery in Yellowstone Co., revise funding of program.

He said the bill also adds Missoula County. HB 728 provides an appropriation of \$100,000.

Proponents' Testimony:

Dan Antonietti, State Legislature Chairman for the Veterans of Foreign Wars, stated their support for HB 728. He informed the Committee that he received a call from Bob Pavlovich, who also wanted to be on record in support of this bill. He urged the Committee to support this bill.

Ed Sperry, Member on the Board of Veterans Affairs, stated their support for HB 728. He said the planning of a cemetery takes time, and this bill gives them that opportunity to start the planning process.

Bill Kennedy, Yellowstone County Commissioner, and President of the Montana Association of Counties, informed the Committee there are several errors in the bill. He said on page 1, the statutory appropriation of \$100,000 was amended out of the bill. He said the bill revises this change, and will provide for a state veteran's cemetery in Yellowstone County. He said there is a need for a cemetery in other parts of the state, but there is a great need for a cemetery in Yellowstone County. Approximately 17 percent of the state's veterans live in Yellowstone County. He said there is a process of designation. In the last legislative session, Missoula County was designated for veteran's cemetery. He informed the Committee there isn't any appropriation for this bill, and asked for support so those that help do the planning for the veteran's cemetery can go forward with a federal grant they will be able to receive to start the process. This bill only designates a veteran's cemetery in Yellowstone County. He asked for a do pass on HB 728.

Opponents' Testimony: None.

Informational Testimony:

Joe Foster, Administrator for the Montana Veterans' Affairs Division, and Secretary for the Montana Board of Veterans' Affairs, said that the state veterans' cemetery program currently

consists of two cemeteries, one at Fort Harrison, and the second one is located near Miles City. They are in the process of designing a third cemetery that will be located in Missoula. The cemetery program is operated and administered based on a special revenue account. He said the two primary funding sources for the special revenue account are: the dominant source through the sale of veteran license plates, and a plot allowance per veteran interment, which is paid into the revenue account, and used to operate the program. They also receive donations from Fort Harrison and the Miles City plot, which is added to the funds. He added that the concern the veteran's affairs have is to ensure the veterans' account can afford additional cemeteries. He distributed a handout that shows what they have to go through to create a state veterans cemetery in Yellowstone County. He informed the Committee that they are on track to have the cemetery in Yellowstone County completed by Memorial Day, 2007. They will have a small deficit of \$81,500, but feels that the revenue will be adjusted and covered. They have to ensure the federal Veterans' Administration (VA), when Montana invests in a fourth veterans' cemetery, a fifth veteran's cemetery, and beyond, that Montana will have the capability to fund the operations, maintenance, and the administration, with the projected funds that are forecast for the account.

EXHIBIT (sts71a01)

Questions from Committee Members and Responses:

SEN. COONEY asked **Joe Foster** about the fiscal note. **Mr. Foster** said the bill doesn't require the \$100,000. It was amended out. **Mr. Foster** added there isn't any fiscal impact for 2006 and 2007.

Closing by Sponsor:

SEN. ESSMANN closed. He discussed a veterans' group in Billings, who is cleaning up a county cemetery where they discovered a number of veterans that are buried. He reiterated the comment made in previous testimony that Yellowstone County has 17 percent of Montana's veterans. He asked the Committee for a do pass, so the veterans' organization can go forward with the cemetery in Yellowstone County.

HEARING ON HB 102

{Tape: 1; Side: A; Approx. Time Counter: 10.3 - 21}

Opening Statement by Sponsor:

REP. RALPH LENHART (D), HD 38, opened the hearing on **HB 102**, Statutory appropriation for highway patrol officers' retirement.

He informed the Committee that this bill is at the request of the Department of Justice. He said this bill will change the way the monies are appropriated to the Highway Patrolmen pension trust fund. He said currently, revenues from drivers licenses are deposited to a state special revenue fund. The money is then transferred from the special revenue fund to the Montana Highway Patrol retirement pension fund. The process will now be changed by this bill for those funds to be recorded in the general fund.

Proponents' Testimony:

Larry Fasbender, Department of Justice, informed the Committee that this bill is a result of a audit by the Legislative auditor. He said that the funds from the special revenue account were being transferred into PERS (state retirement account). He stated that the last legislature did not give them the authorization to continue doing this, which had been done for a number of years. He said this bill will take all of the fees, and move them to the general fund, which now gives them statutory appropriation to cover the highway patrol retirement funds. He said there is currently \$800,000 in the account that will now be deposited into the general fund. He said when this bill is passed, they will be depositing \$110,000 into the general fund account every year. He added that 30-days before the lump sum is due for deposit, that PERS will notify the department, who will then give PERS the amount required to be deposited into the general fund for the highway patrol retirement pension account.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

SEN. LAIBLE asked about the money returned to the general fund, and wanted to know when this bill takes effect. **Larry Fasbender** responded, immediately, because the \$800,000 they currently have will go into the general fund, then the \$110,000 will be excess revenue that will go into the general fund for 2006 and 2007. He said they were collecting more money than necessary, and now they will receive an exact number from PERS to cover the 119 highway patrol that are not covered by GAVA. He added that the total amount they receive from the fees is \$270,000 a year. The \$110,000 they deposit will be an on-going excess revenue stream

to the general fund. **Mr. Fasbender** discussed the large jump in fees that was generated due to permanent registration fees that took place. He said those fees will drop now that people took advantage of that process, and the state will not be generating those fees like it did in the last biennium.

SEN. COCCHIARELLA asked if the \$110,000 is just for the next two years, or if it is on-going. **Mr. Fasbender** replied if the number of people that will be eligible for the non-GAVA enhancement stays at approximately 119 people, and on that basis, the money that is generated is more than adequate to cover those costs. It is projected that the \$110,000 for the next two years will stay that way unless the number of people change. He stated they don't expect that number to change.

SEN. COCCHIARELLA stated she had a bill in her Transportation Committee requesting funds for the Drug Enforcement Task Force, and wanted to know why the extra funds from the highway patrol account aren't going into the task force. **Mr. Fasbender** responded that is another area. He said when the Public Safety and Corrections group met, the department was asked to identify funds to cover some of the increases the department would be experiencing. He said the \$110,000 that will be placed into the general fund is covering those expenses. He added the expenses are identified in HB 2, and if it passes those programs will be covered.

Closing by Sponsor:

REP. LENHART closed. He informed the Committee that this bill passed through Committee by 16-0, and 86-13 on the House floor. He urged the Committee to support this bill.

EXECUTIVE ACTION ON HB 102

{Tape: 1; Side: A; Approx. Time Counter: 22 - 25}

Motion/Vote: **SEN. COCCHIARELLA** moved that HB 102 BE CONCURRED IN. Motion carried unanimously by voice vote.

EXECUTIVE ACTION ON HB 728

{Tape: 1; Side: B}

Motion: **SEN. COONEY** moved that HB 728 BE CONCURRED IN.

Discussion: CHAIRMAN SQUIRES asked Joe Foster to walk the Committee through process of the development of a veteran's cemetery. Mr. Foster said that the Veteran's Affairs contact the local people to get ideas. Then they look for land to purchase to anticipate the dollar amount. He informed the Committee that Department of Natural Resources and Conservation (DNRC) owned land in Missoula, which they sold to the Veteran's Affairs for \$3.2 million. He said they have to make a pre-application to the federal Veterans Administration that show the anticipated dollar amount. After pre-approval from the federal administration, they have to submit the design of the building. The monies to start the new facility are from the state revenue account, which is then reimbursed when the federal grant is received. After they receive the grant, they let bids for a contractor. He said when this cemetery is completed, the state of Montana will have the most veteran cemeteries this side of the Mississippi. The only other state with this many cemeteries is Missouri.

Vote: Motion carried unanimously by voice vote.

ADJOURNMENT

Adjournment: 4:00 P.M.

SEN. CAROLYN SQUIRES, Chairman

CLAUDIA JOHNSON, Secretary

CS/cj

Additional Exhibits:

EXHIBIT ([sts71aad0.TIF](#))